

9/9/77 [2]

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Date: September 1, 1977

MEMORANDUM

FOR ACTION:

Jody Powell
 Jim Fallows
Tim Kraft

FOR INFORMATION:

The Vice President
 Stu Eizenstat
 Jack Watson
 Bert Lance

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Pettigrew memo dated 9/1/77 re Site of Proposed Presidential
 Speech on Reorganization

To: Rich

YOUR RESPONSE MUST BE DELIVERED
 TO THE STAFF SECRETARY BY:

TIME: 11:00 NOON

DAY: Saturday

DATE: September 3, 1977

ACTION REQUESTED:

☒ Your comments

Other:

*The date is open & memo
 should probably be submitted*

STAFF RESPONSE:

☐ I concur.☐ No comment.

Please note other comments below:

*to the President - There's a
 question about how many major
 speeches he's to make in Sept. &
 Oct. - so far we have Panama Canal
 talk & may have one on welfare
or tax reforms -*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required
 material, please telephone the Staff Secretary immediately. (Telephone, 7052)

5 9/9/77

THE WHITE HOUSE
WASHINGTON

September 9, 1977

Hamilton Jordan

The attached was returned
in the President's outbox
today. This copy is forwarded
to you for your information.
The signed original has
been forwarded to Bob Linder
for appropriate handling

Rick Hutcheson

RE: MCKINNEY LETTER

Dated 9/9/77
Delivered to Mr. McKinney, F.H.L.B.B., 320 1st St., NW - Room 814 by
receipted WH messenger - 9/12/77

NOTED
duy

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

September 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *HJ.*

I have talked with Bob McKinney concerning his letter to you. I believe the attached letter should be sent in order to finally settle the situation.

Attachment

SEP 8 1977

THE WHITE HOUSE
WASHINGTON

September 9, 1977

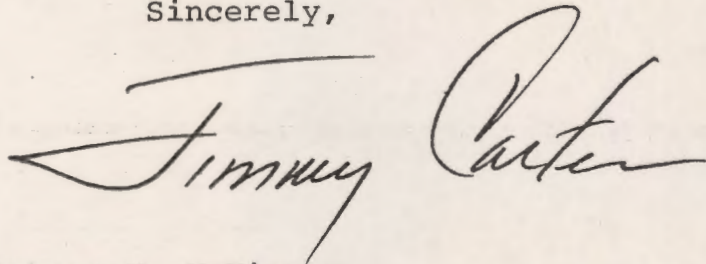
To Bob McKinney

I appreciate your thoughtful letter and am glad to have your views on the other appointment to the Federal Home Loan Bank Board. And although the final decision on major appointments has to be made by me, I will always welcome your frank advice and comments.

After a careful review of the facts, I have decided to reappoint Grady Perry for the term which expires on June 30, 1978. I know that you will support my decision and be assured that no one here had any intentions of misleading you on the outcome of this appointment.

I am proud of you and know that you will perform a great service to the country as Chairman of the Federal Home Loan Bank Board.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is fluid and cursive, with the first name "Jimmy" and the last name "Carter" clearly distinguishable.

The Honorable Robert H. McKinney
Chairman
Federal Home Loan Bank Board
Washington, D. C. 20552

THE WHITE HOUSE
WASHINGTON

September 9, 1977

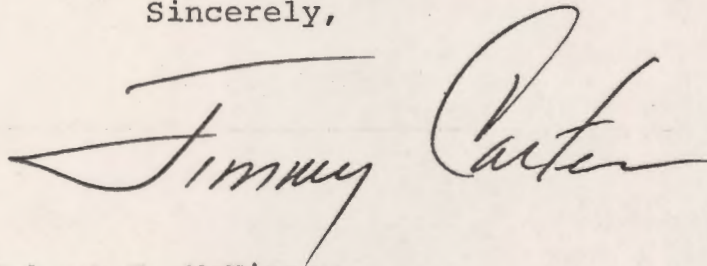
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Chairman
Federal Home Loan Bank Board
Washington, D. C. 20552

THE WHITE HOUSE
WASHINGTON

September 9, 1977

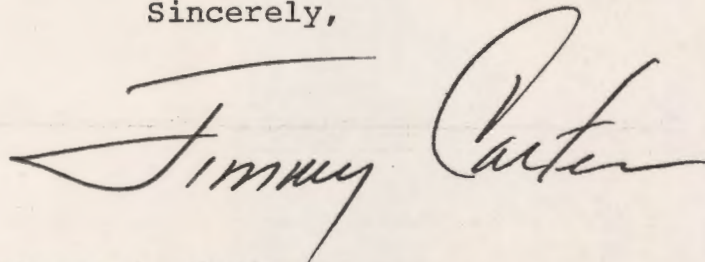
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The Honorable Robert H. McKinney
Chairman
Federal Home Loan Bank Board
Washington, D. C. 20552

9/10/77

Changed to 1978 with ~~the~~ concurrence of Bill Simon.

There was no vacancy in the 1979 term slot.

Ron Geisler

September 9, 1977

To Bob McKinney

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Sincerely,

The Honorable Robert H. McKinney
Chairman
Federal Home Loan Bank Board
Washington, D. C. 20552

JC/hj/ec

September 2, 1977

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I received a telephone call yesterday afternoon from Landon Butler indicating some immediate action was pending relative to the possible nomination of Grady Perry as a member of the Federal Home Loan Bank Board. Grady Perry's term as a member of the Board expired August 15, 1977. Mr. Butler suggested that I write you this letter to set forth the facts, which briefly are as follows:

1) In my discussions with you, Hamilton Jordan and Landon Butler prior to my appointment, it was mutually agreed that I would retain the right to approve other appointees to the Board in order that I would have the type of Board that would enable me to accomplish my goals and those of the Administration;

2) During my earlier discussions with Mr. Jordan and Mr. Butler, the name of Grady Perry was mentioned as a potential appointee to fill the other vacancy on this three member Board. This discussion came to a focus during the week of July 11, 1977 at which time I was specifically assured that no promises had been made to Senator Sparkman relative to Mr. Perry. I asked for, and received, this assurance since I knew I would be questioned on this point during my confirmation hearing.

3) The Senate Committee hearing on my nomination took place on July 15 and July 18, 1977. During that hearing I was vigorously questioned about the next appointment to the Board. I stated what I believed to be the facts:

a) That the power of appointment was in the President and not in me, and that I did not know the identity of the next appointee. The President and I had agreed, however, that I would be consulted as to future appointments.

b) That no other appointee had been agreed upon;

c) That I wholeheartedly supported the Administration's policy of encouraging female and minority appointments.

4) After substantial debate, I was confirmed by the Senate on July 29.

On August 1, I had a telephone conversation with Mr. Butler relative to the existing Board vacancy and next appointment. As I wanted to move ahead as quickly as possible to obtain the support I needed on this three member Board, I stated that I felt we must keep the selection an open one, and that we should consider as promptly as possible all potential nominees. I confirmed this conversation with a letter on August 3, saying, among other things:

"...we should go through the selection process and not merely pick what would appear to be a predetermined person. This not only helped verify the true fact that we had no prior commitment, but I believe it also helped us to be certain that we are making the right recommendation to the President."

My letter of August 3 further requested that no decision be made until after August 15, when I would be sworn in as Chairman and could sit down and discuss the issue in person.

5) After I became Chairman on August 16, I received a call from Mr. Butler saying it had been decided to proceed with the appointment of Mr. Perry. I stated that I felt that this was not in accordance with our agreement and asked for a prompt meeting with Hamilton Jordan, which was held on August 24. At this meeting I again pointed out the reasons why I thought it would be a mistake to appoint Mr. Perry, namely:

a) He would face very substantial opposition from some members of the Senate Banking Committee because he is clearly identified with the past practices of the Board, which practices have been heavily criticized by consumer groups as well as those members of the Banking Committee. Accordingly, there is a real risk of his defeat by the Banking Committee and in my judgment this is a risk which should not be assumed.

b) It was my judgment that we could find people who could better help carry out the new policies of the Administration and the Board, which I had promised to implement at an early date;

c) The policy of the Administration which I strongly support is to make female and minority appointments whenever possible, and I felt that this was an ideal circumstance for such an appointment.

d) My position with Congress will be considerably weakened since I had represented to the Committee that new policies and directions would be undertaken by the Board.

I was then advised the issue would be reconsidered and I would receive a telephone call.

6) Having heard nothing further, I telephoned Mr. Butler on August 31. He told me of strong pressure to appoint Mr. Perry and that, as a matter of fact, his appointment was now being processed. I told him I felt it was improper and violated my understanding with the Administration. I asked that it be deferred until I could talk to you. I again talked to Mr. Butler last night, at which time he asked that I write this letter.

As Chairman of an independent government agency, I feel I have an obligation to state my position clearly to you. The Federal Home Loan Bank Board has only three members; the choice of the other Democratic member is critical to the success of the Board during your Administration. I would be pleased to meet with you personally, but I wanted to be sure that you had some immediate basic facts in writing before any further decisions are made.

Respectfully,

Robert H. McKinney by M. C. Gandy

Robert H. McKinney
Chairman
Federal Home Loan Bank Board

(Dictated by Robert McKinney by
telephone from Indianapolis 9/2/77.)

TO HON. Robert H. McKinney
Chairman
Federal Home Loan Bank Board
320 First St., NW - ROOM 814

SEP 12, 1977

(Date)

RECEIVED FROM THE WHITE HOUSE:

013648

Presidential letter; dated 9/9/77.

Delivered by

C. Munnick

Received by

A. A. Hurry

TO HON. Robert H. McKinney
Chairman
Federal Home Loan Bank Board
320 First St., NW - ROOM 814

SEP 12, 1977

(Date)

RECEIVED FROM THE WHITE HOUSE:

013648

Presidential letter; dated 9/9/77.

Delivered by

C. Munnick

Received by

A. A. Harey

THE WHITE HOUSE
WASHINGTON

Date: 9/8/77

MEMORANDUM FOR: DR. SCHLESINGER *****

FROM: TIM KRAFT *fran*

SUBJECT: Approved Presidential Activity

Please take the necessary steps to implement the following and confirm with Mrs. Nell Yates, ext. 2699. The appropriate briefing paper should be submitted to Rick Hutcheson by 4:00 p.m. of the preceding day.

Meeting: Brief Statement on the Department of Energy.

Date: Tues., Sept. 13

Time: 2:00 p.m. Duration:

Location: Press Room

Press Coverage: Full coverage

Purpose: The President would make a brief statement on the new Department of Energy and then introduce Dr. Schlesinger who will make further detailed remarks re the organization setup and nominations.

CC: Phil Wise
Nell Yates
Rick Hutcheson
Hamilton Jordan
Jody Powell
Rex Granum
Jack Watson
Stuart Eizenstat
Jim Bishop
Frank Pagnotta

Jane Fenderson
Penny Miller
Fran Voorde
Helen Donaldson

***** Coordinate
with Jody Powell

THE WHITE HOUSE
WASHINGTON

September 9, 1977

Hamilton Jordan

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in the President's outbox
today. This copy is forwarded
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Rick Hutcheson

RE: MCKINNEY LETTER

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

September 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *HJ.*

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THE WHITE HOUSE

WASHINGTON

September 9, 1977

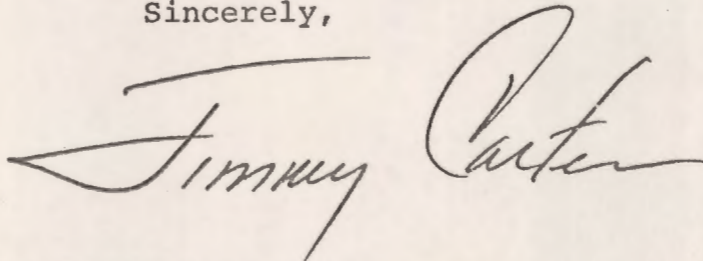
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The Honorable Robert H. McKinney
Chairman
Federal Home Loan Bank Board
Washington, D. C. 20552

THE WHITE HOUSE
WASHINGTON

September 6, 1977

Hamilton Jordan

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

LETTER FROM ROBERT H. MCKINNEY
RE MEMOBER OF THE FEDERAL HOME
LOAN BANK BOARD

THE PRESIDENT HAS SEEN.

*Hamm
Comment
J*

September 2, 1977

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

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Respectfully,

Robert H. McKinney by M. Caruso

Robert H. McKinney
Chairman
Federal Home Loan Bank Board

(Dictated by Robert McKinney by
telephone from Indianapolis 9/2/77.)

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for Preservation Purposes

9/9/77

THE WHITE HOUSE
WASHINGTON

Argentina. Pres Videla
FM MONTES Amb Aja Espil

Todman (Me: 1972)

Tlatelolco - Heavy H₂O - Canada
Fuel cycle 10/19 (Refugees)

Human Rights - terrorism

1000's political prisoners - names?
Arger Com on HR - 3000 missing

Jacoba Timmerman (La Opinión)

Held without charges -

Govt strong → more freedom

Inflation 400% → 100%

Deutsch family

1975 1960 + 2020

since 3/76

370 cases resolved + 360 military
187 guilty
2 mos 300 freed

73 guilty

end of year - solved

9/9/77

THE WHITE HOUSE
WASHINGTON

Uruguay - Pres MENDEZ
FM DELFANTE Amb CALDAS

TODMAN

Hum Rts ? divides US/Ur
2000 - 5000 political prisoners

No habeas corpus

No Int Hum Rts Com visit

Electon in 1981?

— Recourse against propaganda?

"No political prisoners" "no torture"

2000 terrorists 190 preventive

eliminate preventive detention security

— Wool/meat → leather goods
12000 persons

9/9/77

THE WHITE HOUSE
WASHINGTON

Grenada - PM GAIKY
Amb DOLLAND

OAS mtg

Hum Rts ?

Economic help

Mysticism

UFO's

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9/9/77

THE WHITE HOUSE
WASHINGTON

Bahamas - PM Pindling
Amb Johnson

Congrats reelection

Permanent agreement - military

> Fisheries problem (200 mi.)

> Maritime boundaries

> LOS cooperation

US investments > \$1 B.1

> Increased air service

9/9/77

THE WHITE HOUSE
WASHINGTON

Costa Rica - Pres ODUBER
FM FACIO Amb SILVA

Rosarynn - Andy

Hum Lt - leader

FMS financing - patrol boat

ISA + Cu + Cocoa + Coffee

Vesco = Elections 2/5

Youth Symphony 4/78

Lomé agreement - Colonial
preference

101% Sugar to us from C.R.

US extradition 1973 - very poor

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

September 9, 1977

Jack Watson

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: TELEPHONE CALL FROM RAY
MARSHALL

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
X		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

Electrostatic Copy Made
for Preservation Purposes

September 7, 1977

ok
J

MEMORANDUM FOR THE PRESIDENT

FROM:

Jack Watson *Jack*

SUBJECT:

TELEPHONE CALL FROM RAY MARSHALL

Ray Marshall called last night to say that the coal strikes are over and that negotiations will resume on Thursday of this week. Ray believes that there is a genuine "will to negotiate" on both sides, and he is "reasonably optimistic" about the prospects for the negotiations, despite the fact that the pension fund issues are especially complex.

The iron ore strike situation remains very problematical, partly because the companies currently have plenty of raw materials on hand so that the workers' bargaining position is not as strong as it might be. Ray said that he understood that Governor Perpich of Minnesota was about to request that you get involved in the situation. Ray strongly urges against Presidential involvement at this point.

On a related issue, the international longshoremen's contract expires at the end of this month, and the situation there is also very tenuous. Ray will continue to monitor both situations very closely and keep you informed.

I understand that Governor Perpich has already called & asked to meet with you on Monday - I'll see him in Detroit at The Governors' Conference & handle the matter there - keeping you out of the situation. Respy,

Jack

THE WHITE HOUSE
WASHINGTON

September 9, 1977

Stu Eizenstat

The attached was returned
in the President's outbox today.
The signed original has been
forwarded to Bob Linder for
appropriate handling.

Rick Hutcheson

cc: The Vice President
Midge Costanza
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson
Bert Lance

RE: PRESIDENTIAL DOMESTIC POLICY
REVIEW

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

< memo only - not Stu's comment >

ACTION	FYI	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input checked="" type="checkbox"/>	COSTANZA
<input checked="" type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	<input checked="" type="checkbox"/>	JORDAN
<input type="checkbox"/>	<input checked="" type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	<input checked="" type="checkbox"/>	MOORE
<input type="checkbox"/>	<input checked="" type="checkbox"/>	POWELL
<input type="checkbox"/>	<input checked="" type="checkbox"/>	WATSON
<input type="checkbox"/>	<input checked="" type="checkbox"/>	LANCE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
<input checked="" type="checkbox"/>	LINDER - to send out
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE
WASHINGTON

September 2, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Presidential Domestic Policy Review
System

*Stu -
Act now to
copies &
minimize
maximize
Confidentiality
J*

Your announcement of the Executive Office of the President reorganization included a statement that a process would be instituted in the domestic policy area similar to the PRM process used by the NSC. When the NSC PRM process was begun, you sent a memorandum announcing the PRM process to the affected departments and agencies.

I have attached a proposed memorandum from you to similarly announce, and then briefly describe, the beginning of the domestic PRM process. This memorandum has been drafted along with OMB's Reorganization Project Staff, as part of their efforts to implement the reorganization proposals in the Executive Office of the President. It has been approved by Harrison Wellford and OMB and by the Senior White House Staff.

If you approve this memorandum, it will be sent to the heads of all of the executive departments and agencies next week and the domestic PRM process can then begin. It will help ensure greater Cabinet involvement in the policy development process.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF EXECUTIVE

DEPARTMENTS AND AGENCIES

SUBJECT: Establishment of the Presidential
Domestic Policy Review System

The Presidential Domestic Policy Review System is hereby established to coordinate the work of the Departments and Agencies in developing the Administration's position on selected key domestic policy issues.

OBJECTIVES

This System was recommended in the Reorganization Project's report on the Executive Office of the President as a means to ensure greater Department and Agency participation in the domestic policy decision process. The System's principal objectives are to:

- Ensure that the full resources of government are brought to bear on particular domestic issues in a timely manner;
- Provide a full range of realistic and properly staffed options on an issue;
- Encourage advance planning and priority setting to promote coordination among issues;
- Establish procedures to ensure that Departments and Agencies have the opportunity to comment on issues relevant to their expertise and policy responsibilities; and,
- Provide for systematic follow-up on Presidential decisions.

MEMORANDA AND PROCEDURES

The System will make use of the following memoranda and procedures:

-- Issue Definition Memorandum

Issues for inclusion in the Domestic Policy Review System will be selected through an Issue Definition Memorandum submitted for Presidential

approval by the Assistant to the President for Domestic Affairs and Policy (at his initiative or the request of a Department or Agency) after full consultation with the Vice President, all affected Departments, Agencies, and senior Presidential advisers. The Issue Definition Memorandum will briefly state the questions to be covered and the Agencies to be involved, and shall designate a lead Agency and the membership of a coordinating committee at the Cabinet or sub-Cabinet level -- including representatives of all participating Agencies. The memorandum shall include a date for submission of a Response to the memorandum. Upon Presidential approval, the Issue Definition Memorandum will serve as a directive for analysis to begin on the questions defined.

-- Response Memorandum

The lead Agency will take responsibility, in coordination with the Domestic Policy Staff and with the full assistance and cooperation of participating Agencies, for development of a Response Memorandum providing background, analysis of decision options, and Agency recommendations on questions identified in the Issue Definition Memorandum. The Response Memorandum should analyze the issues set forth in the Issue Definition Memorandum and, in doing so, reflect the views of all Agencies represented on the review committee, as well as any other Agencies affected by the Memorandum.

-- Decision Memorandum

Where appropriate, a Presidential Decision Memorandum summarizing decision options will be prepared by the Domestic Policy Staff with review by affected Departments and Agencies and Senior Presidential advisers.

-- Domestic Presidential Directive

Where appropriate, Presidential decisions will be set forth through a Domestic Presidential Directive.

ORGANIZATION

Because of the number of Departments and Agencies involved, there will be no permanent standing committees associated with the Domestic Policy Review System. There will, however, be a coordinating committee established for each issue and the composition of that committee will be defined in the Issue Definition Memorandum.

A member of the Domestic Policy Staff will be assigned responsibility for working with the appropriate lead Agency. In addition, these committees will normally include representatives from OMB and CEA.

ALTERNATIVES TO MEMORANDA PROCESS

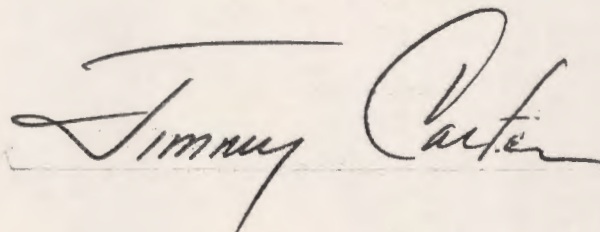
Domestic issues which otherwise would be covered by the Domestic Policy Review System may have to be handled differently because of excessive time pressures or unusual policy sensitivity. And on some domestic policy issues, extensive and formal interagency coordination will simply not be required. However, in each of these circumstances, the intent of the System is to establish early and extensive involvement between the Domestic Policy Staff and the affected agencies, whether through the Memorandum process or more informal communication.

CONFIDENTIALITY

Use of this process will result in increased circulation of domestic policy documents. Circulation of draft Memoranda must be closely supervised by all parties to maintain confidentiality and avoid premature disclosure.

IDENTIFICATION OF CURRENT ISSUES

As a first step in implementing the new System, I would like each of you to submit a brief list of domestic issues (indicating priorities among them) to Stu Eizenstat, for possible inclusion in the Domestic Policy Review System. The list should be limited to those issues which have substantial impact on domestic policy and which require significant interagency involvement. The list should be submitted by September 23.

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. The first name "Jimmy" is written with a large, sweeping initial "J". The last name "Carter" is written with a large, sweeping initial "C". The signature is positioned at the bottom right of the page.

THE WHITE HOUSE
WASHINGTON
September 9, 1977

Zbig Brzezinski

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

RE: A.G. SPEECH TO ABA
ON COMITY

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
X	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



ASSOCIATE
ATTORNEY GENERAL

THE PRESIDENT HIS OFFICE
Office of the Attorney General
Washington, D.C.

September 8, 1977

3615
info
J

MEMORANDUM TO THE PRESIDENT

The Attorney General asked that I provide you with a copy of his speech to the American Bar Association on comity. It is my understanding that you requested a copy because of Prime Minister Trudeau's concern about the speech.

Michael J. Egan
Associate Attorney General

Attachment

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for Preservation Purposes



Department of Justice

ADDRESS

BY

THE HONORABLE GRIFFIN B. BELL
ATTORNEY GENERAL OF THE UNITED STATES

BEFORE

THE AMERICAN BAR ASSOCIATION
ASSEMBLY LUNCHEON

12:00

MONDAY, AUGUST 8, 1977
GRAND BALLROOM
CONRAD HILTON HOTEL
CHICAGO, ILLINOIS

Comity is a very small word that stands for a very large principle. Comity is a way of saying fair play -- that each of two parties will yield to the one which has interests that are clearly paramount. It is a word signifying a concern for common courtesy and decency in conduct toward others.

Where conflicts arise between sovereigns, the sovereigns have an obligation to resolve the conflicts with restraint, cooperation, and good will. That is the essence of comity, and today I would like to tell you what the Department of Justice is doing to foster comity between our justice system and those of foreign governments and between federal and state justice systems.

In recent decades, under the pressure of rapidly increasing international trade and a consequential increase in federal court litigation involving foreigners, the United States became concerned with formally establishing international comity. Unless the United States rendered effective judicial assistance to foreign courts, little assistance to the courts and litigants of this country would be forthcoming from abroad.

In 1964 Congress enacted a law covering such things as serving documents and obtaining evidence, subpoenaing witnesses, and transmitting requests for judicial assistance on behalf of the courts of other countries. It is one of the most forward-looking

attitudes toward international comity of any country in the world.

Although reciprocity is an implied part of comity, the United States has made it clear that the assistance that we render comes without regard to reciprocity but is given as a matter of law. There are many cases demonstrating this policy of offering assistance whenever possible, and it is safe to say that no other country in the world offers such cooperation. We have clearly set ourselves up as an example, and we hope other countries will follow suit.

It is axiomatic in law that the best way to understand a rule or doctrine is to observe it under strain. That is as true for the principle of comity as it is for any other, and nowhere is the strain greater than in the application of antitrust laws.

The Supreme Court has noted that Congress, in passing the Sherman Act, was operating to the full extent of the Commerce Clause. That law applies to interstate and foreign commerce and to trade in both exports and imports in the United States. Hence, the scope of the Sherman Act does not stop at the water's edge, and foreign businessmen -- and their sovereign governments -- view this as an extraterritorial application of U.S. laws.

We are scrupulous in not reaching beyond our authority, but our law enforcement obligation does not allow us to look the other way when an antitrust investigation

involves foreign nationals. The resulting interactions with foreign nations often involve no small amount of explaining on our part and a large measure of tact and forbearance as well.

Sometimes comity causes us to stay our hand. For instance, about two years ago the Justice Department's Antitrust Division investigated a merger in a foreign country by nationals of that country who happened to be among the world's largest producers of an important industrial product.

The firms involved exported most of their production to the United States, and significant assets of the combined firms were located here. Further, while there was no evidence of an explicit conspiracy, the marketing of the product generally followed a pattern of oligopoly pricing.

In short, there was not much question that United States courts had subject-matter jurisdiction over the merger.

Nonetheless, the Antitrust Division concluded that since the merger involved stock acquisitions of foreign companies on a public exchange in the foreign country, and since the merger primarily involved control of assets located in the foreign country, and since the government concerned communicated to us that any attempt by the United States to block the merger would be deemed a

serious infringement of a vital national interest, the Justice Department declined to assert U.S. jurisdiction on grounds of comity and foreign policy.

Another example of comity occurred last year, after the United States and Japanese justice agencies signed a mutual assistance agreement in the investigation and prosecution of any illegal activities related to sales in Japan by Lockheed Aircraft Corporation.

The Tokyo District Court sought assistance under the agreement in taking depositions in the United States from three former Lockheed officials. The Tokyo court issued letters rogatory to the Los Angeles District Court seeking assistance. The Los Angeles Court subpoenaed the witnesses, who promptly invoked their Fifth Amendment rights.

To accommodate the Japanese Government, the Department of Justice granted the witnesses immunity from prosecution under U.S. law, thus removing their Fifth Amendment grounds. It was an unprecedented exercise of the Attorney General's discretion, and it was done essentially in a spirit of comity.

On two recent occasions -- as a matter of comity -- the Department of Justice has sent documents to foreign antitrust agencies regarding possible liability by American and foreign corporations under foreign antitrust law. Those documents were not received by us under subpoena and

did not otherwise require confidentiality.

We will, in the interest of comity, continue this cooperation with foreign antitrust agencies -- even when it exposes United States firms to liability for violating foreign laws. There is no compelling United States interest in protecting United States nationals who violate foreign laws.

Two other examples of international comity may be found in the new antiboycott law and in pending legislation to prevent American enterprises from resorting to bribery of foreign officials in doing business abroad. The former, signed by President Carter in June, prevents foreign governments from binding U.S. firms to practices of racial, religious, or economic discrimination in United States commerce, thus by law reassuring nations which may be the victims of such discrimination. The latter piece of legislation, now pending in the House, would have as one of its purposes preventing American interests from utilizing illegal means to corrupt the officials of a foreign nation.

Comity may be expressed many ways. It may include notification to other governments of contemplated legal actions that significantly affect them. It may include giving other governments the opportunity to consult regarding interests relevant to the contemplated action. It may involve investigation techniques -- that is to say, in what way, and under what circumstances, to seek what kinds of information from foreign governments.

But while we try to exercise comity in enforcing antitrust laws, some nations find our position unacceptable. Several nations have passed laws to prevent persons within their territory from cooperating with the United States, and they have established criminal sanctions for those who comply with United States law in violation of these "blocking" statutes. Among those which have adopted and, from time to time, implemented such laws are the United Kingdom, the Federal Republic of Germany, Canada, Australia, and the Netherlands.

Comity should work both ways. We owe deference to other nations when their vital national interests are at stake and the conflicting United States interest carries a lesser weight. But other nations owe us, in turn, deference at least to the extent of working toward a compromise arrangement if our fundamental national interests are directly affected.

Of course, there will be unavoidable situations where two sets of interests conflict, each country viewing its own as supreme. Such situations provide a test of each nation's sense of comity, and perhaps its diplomatic skills as well.

But I see no such excuse for deliberately enacting "blocking" legislation solely to frustrate U.S. antitrust laws, without regard to the seriousness of the case or the national interest at stake. Blanket prohibitions by

foreign governments against cooperation with U.S. investigations, by their nationals or even by U.S. citizens located in their territory, are not only inconsistent with comity but may also harm those who invoke prohibitions. Cooperating with investigations is the best way of bringing exculpatory information to our attention. Cooperation by a foreign firm or government is a significant factor influencing our prosecutorial judgment. Let me make clear to you that I deem our criminal investigation of the international uranium industry and our civil investigation of the international oil industry matters of fundamental United States interest.

We are obligated to do all that we reasonably can to prosecute foreign private cartels which have the purpose and effect of causing significant economic harm in the United States in violation of antitrust laws. To my mind there is a fundamental United States interest in not having our citizens pay substantially higher prices for imports because private firms get together and rig international markets. There is also a fundamental United States interest at stake when private businesses, although foreign, get together to injure and perhaps destroy an American competitor.

Of course, I do not hold the utopian view that all international markets must be perfectly competitive. I recognize that international markets structured by explicit agreements between duly authorized government officials may be legal under United States law. In some instances such agreements may be desirable or even necessary in terms of United States economic policy.

But there is a big difference between arrangements by governments to structure markets within their jurisdictions and private cartels getting together to fix prices and allocate markets worldwide, even where those cartels have tacit support from governments.

In summary, comity cannot be a principle which the United States is bound to respect when others have valid interests and yet does not apply to others when we have at least equally valid interests.

During my six months as Attorney General, I have had occasion to observe, in a way that perhaps few other government officials can, the importance of comity. I have been working closely with the National Association of Attorneys General, and in June I addressed that organization's meeting in Indianapolis. Later in the same week, I flew to Ottawa to meet with Canadian officials about matters of mutual concern in the field of justice.

In Ottawa, we discussed Canada's concern over the use by our police of "hot pursuit" that carries across the border into Canada. I have repeatedly pledged my cooperation to state Attorneys General, and I am sure those state Attorneys General who are near the Canadian border will reciprocate by cooperating with me in working to restrain border crossings by our law enforcement officers.

So, as I observed during that June week, comity is a principle that comes into play within our borders

as well as outside. Unless our states cooperate with Washington, then Washington's ability to cooperate with other nations may be impaired.

We must practice at home what we call for abroad. I would like to mention a few things we are doing at the U.S. Department of Justice to buttress the spirit of federal-state comity:

-- We share antitrust grand jury information with states, where we have court permission to do so and where the state agrees to withhold action until the federal case is ended.

-- In matters involving the civil rights of patients or inmates in state institutions or prisons, we will give the state an opportunity to solve problems voluntarily before we file suit. If voluntary compliance falls short, we will make every effort to inform state officials before suing, so that they do not learn of the action from the news media.

-- We will continue our policy of deferring to a state in cases of dual jurisdiction, but we reserve the right to prosecute federally under civil rights laws if we feel state prosecution was insufficient.

-- We have helped to set up federal-state law enforcement committees in 22 states, and have instructed U.S. Attorneys to discuss prosecution policies with state prosecutors.

STATEMENT ON CUTTING
FEDERAL RED TAPE
W.H. BRIEFING ROOM
SEPTEMBER 9, 1977

THE PRESIDENT HAS SEEN.

AS A FORMER STATE AND LOCAL
OFFICIAL, I AM KEENLY AWARE THAT
THE WAY FEDERAL GRANTS ARE HANDLED
IS INCREASINGLY IRRATIONAL, INEFFICIENT
AND INSENSITIVE TO LOCAL NEEDS.

TODAY I AM PROUD TO BE ABLE TO
ANNOUNCE A CONCENTRATED ATTACK ON
RED TAPE AND CONFUSION IN THE FEDERAL
GRANT-IN-AID SYSTEM.

PRESIDENTIAL ASSISTANT

PRESIDENTIAL ASSISTANT JACK WATSON IS MAKING THIS SAME ANNOUNCEMENT TODAY AT THE NATIONAL GOVERNORS ASSOCIATION IN DETROIT.

MAKING GOVERNMENT WORK BETTER IS NOT THE MOST DRAMATIC OR EXCITING SUBJECT, BUT THERE ARE FEW THINGS WE CAN DO DURING THIS ADMINISTRATION THAT ARE POTENTIALLY MORE IMPORTANT.

IN THE CASE OF FEDERAL GRANTS, REFORM WILL SAVE TAX DOLLARS AND ENABLE FEDERAL, STATE AND LOCAL GOVERNMENTS TO GIVE TAXPAYERS MAXIMUM VALUE FOR EACH DOLLAR THAT IS SPENT.

WE WILL CONCENTRATE

WE WILL CONCENTRATE FIRST ON
FIVE AREAS WHERE EXPERIENCE HAS SHOWN
THE MOST SERIOUS PROBLEMS EXIST:

- PAPERWORK REQUIREMENTS FOR
THE GRANTS THEMSELVES,
- THE FEDERAL GOVERNMENT'S
FINANCIAL MANAGEMENT PRACTICES,
- FEDERAL AUDIT PROCEDURES,
- THE DRAFTING OF THE REGULATIONS,
AND
- THE VARIOUS REQUIREMENTS IN
THE AREAS OF CIVIL RIGHTS,
CITIZENS' PARTICIPATION AND
ENVIRONMENTAL PROTECTION.

MOST OF THESE

MOST OF THESE CHANGES ARE
STRAIGHTFORWARD, COMMON SENSE CHANGES
THAT ARE LONG OVERDUE:

- STANDARD APPLICATION AND
REPORTING FORMS INSTEAD OF
THE GREAT VARIETY OF INDIVIDUAL
FORMS NOW IN USE;
- A LIMIT ON THE NUMBER OF COPIES
THE FEDERAL GOVERNMENT ASKS
STATE AND LOCAL GOVERNMENTS
TO FILE -- NOT MORE THAN THE
ORIGINAL AND TWO COPIES;
- A HALT TO THE PRACTICE OF
ASKING FOR DUPLICATE INFORMATION

ON A GRANT RENEWAL,

ON A GRANT RENEWAL, ALREADY
SUPPLIED AS PART OF THE
ORIGINAL APPLICATION; AND

-- CONSOLIDATION AND SIMPLIFICATION
OF REPORTS TO REDUCE THE AMOUNT
OF PAPERWORK BY AT LEAST SEVEN
MILLION HOURS PER YEAR BY THE
END OF THIS MONTH.

I KNOW FROM PERSONAL EXPERIENCE THAT
FEDERAL GRANT REGULATIONS ARE OFTEN
WRITTEN IN OBSCURE, ALMOST IMPENETRABLE
LANGUAGE. MANY WERE DEVELOPED WITHOUT
ADEQUATE CONSULTATION WITH STATE AND
LOCAL GOVERNMENTS OR WITH THE PUBLIC.

WE WILL ACT

WE WILL ACT TO SEE TO IT THAT FUTURE REGULATIONS DO TAKE THE PUBLIC'S INTERESTS AND CONVENIENCE INTO ACCOUNT, FROM THE BEGINNING.

I HAVE DIRECTED THAT OLD REGULATIONS NOW ON THE BOOKS BE RE-EXAMINED.

ALL THE EXECUTIVE DEPARTMENTS AND AGENCIES WILL REVIEW THEIR MOST POPULAR UNPOPULAR REGULATIONS -- THOSE CAUSING THE GREATEST PUBLIC OUTCRY. MOST WILL BE EITHER REFORMED OR ABOLISHED.

MAKING GOVERNMENT WORK BETTER IS A LONG, TEDIOUS AND UNGLAMOROUS PROCESS, BUT IT MUST BE DONE. IT HAS BEEN NEGLECTED

BEEN NEGLECTED TOO LONG. IF WE DO NOTHING, THE SITUATION WILL ONLY BECOME WORSE. MY OWN ELECTION WAS AN EXPRESSION OF THE PUBLIC'S FRUSTRATION AT HOW GOVERNMENT DOES ITS BUSINESS AND OF THEIR DESIRE TO SEE CHANGES FOR THE BETTER. THE MEASURES I AM ANNOUNCING TODAY REPRESENT A SUBSTANTIAL STEP IN THAT DIRECTION, AND THERE WILL BE MORE.

THE WHITE HOUSE
WASHINGTON

September 9, 1977

Hamilton Jordan

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jim King

RE: UN GENERAL ASSEMBLY PUBLIC
MEMBERS (WAE-PAS)

THE WHITE HOUSE
WASHINGTON

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<input type="checkbox"/>	ENROLLED BILL
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<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	ARAGON
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<input type="checkbox"/>	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

*Did we
promise anyone?
JC*

September 9, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *H.J.*
SUBJECT: United Nations General Assembly
Public Members (WAE-PAS)

The 32nd Session of the UN General Assembly is scheduled for September 20-December 17. The United States will have five representatives and five alternate representatives. Of these ten, five will be the Ambassadors permanently at the UN; the remaining five will be two members of Congress and three public members appointed by the President.

Ambassador Andrew Young has recommended Marjorie Benton of Chicago, Coretta Scott King of Atlanta and Bruce Corwin of California. J. C. Kennedy of Oklahoma is also interested in being appointed.

RECOMMENDATIONS:

Appoint Marjorie Benton

☒ Approve ☐ Disapprove

Appoint Coretta Scott King

☒ Approve ☐ Disapprove

Appoint J. C. Kennedy

☒ Approve ☐ Disapprove

Other: _____

JC

THE WHITE HOUSE
WASHINGTON

September 9, 1977

Bob Lipshutz

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: EXECUTIVE PROTECTIVE SERVICE
PROTECTION OF PRESIDENT SOMOZA
OF NICARAGUA

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

Electrostatic Copy Made
for Preservation Purposes

September 6, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ *RL*

SUBJECT: Executive Protective Service Protection
of President Somoza of Nicaragua

This is to request your permission to continue EPS protection of General Anastasio Somoza Debayle, President of Nicaragua, through September 7, 1977, or shortly thereafter. Threats have been made against the life of President Somoza since his hospitalization.

President Somoza is presently in Miami, Florida, where he is undergoing medical treatment at the Miami Heart Institute.

The State Department has opined that President Somoza's hospital accommodations qualify as a "diplomatic mission" pursuant to the applicable law.

In response to threats against President Somoza, the EPS assumed protective responsibilities for President Somoza at the Miami Heart Institute. There have been 16 EPS officers assigned to this temporary duty, with 3 shifts of 4 men each and supervisory personnel performing these responsibilities.

The State Department has recommended continued coverage of President Somoza until his departure from the United States.

Approve _____
Recommended

Disapprove _____

*Why ask me for
Continuation? Did I
approve this?
JC*

THE WHITE HOUSE
WASHINGTON

September 9, 1977

Jim Fallows

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Fran Voorde

RE: NEW JERSEY TRIP

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
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<input type="checkbox"/>	CARP
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<input type="checkbox"/>	WARREN

THE PRESIDENT HAS SET

THE WHITE HOUSE

WASHINGTON

September 7, 1977

Good -
Confirm accuracy
Include in trip
book
JC

MEMORANDUM FOR THE PRESIDENT

FROM: *for* JIM FALLOWS *JAD*

SUBJECT: New Jersey Trip

Rick Hertzberg and Achsah Nesmith prepared these talking points, which include:

1. Governor Byrne's record, which you might want to stress at the airport fundraiser and touch on at the other two stops;
2. Points for the Newark stop;
3. Points for the Chambersburg stop.

**Electrostatic Copy Made
for Preservation Purposes**

Governor Byrne's Record

Brendan Byrne has been an honest, imaginative, highly efficient Governor--one of the best in the nation. On the state level, he has fought for many of the same goals you are seeking on the national level. Perhaps most important of all, he is a man of courage and character.

1. COURAGE--As you know from your own experience (the energy plan, for example), an executive must sometimes stand up for what he knows is right and necessary even when that means taking highly unpopular steps. Governor Byrne's successful advocacy of an income tax showed that he has that kind of political courage. He is willing to make the tough choices and take the heat. The tax was unpopular and remains unpopular. But (as polls show) more and more New Jerseyans are coming to agree with Governor Byrne that a relatively small income tax with no loopholes is better than the alternative--crushingly high property taxes on homeowners or sales taxes that hit working people hardest.

One leader with Byrne's courage is worth dozens who take irresponsible positions for the sake of temporary political advantage.

2. OPENNESS AND HONESTY--Brendan Byrne was elected to restore clean government to New Jersey, and he's done exactly that. Besides running a scandal-free administration, he's pushed through political reforms that have created strong institutional safeguards against corruption, including:

- A "sunshine law" to open meetings of public bodies to public scrutiny;
- The creation of a Public Advocate's office similar to your own proposed Consumer Protection Agency, for which Byrne has also fought;
- A postcard registration system that has added 600,000 new voters to the rolls;
- Public financing of gubernatorial elections, beginning with this one (after a \$40,000 threshold, the state provides \$2 for every \$1 the candidate raises, up to a total spending limit of \$1.5 million, with a \$600 limit on individual contributions);
- A Corruption Control Bureau under the state's universally respected Attorney General, William Hyland;

- A full, annual financial disclosure requirement for top state officials.

3. EFFICIENT, EFFECTIVE GOVERNMENT--Governor Byrne runs state government in New Jersey in a way that gives taxpayers their money's worth. Examples:

- The state's fiscal structure is one of the soundest in the nation.
- Under the Republicans, state spending was growing at a rate of over 15 per cent a year; Byrne cut that rate of increase in half.
- Byrne created an Economic Development Authority which has generated 24,000 new permanent jobs through low-cost loans to industry. Under his leadership the unemployment rate in New Jersey declined by 25 per cent. The state has been turned around economically.
- This may not be a skill you want to encourage, but Governor Byrne has proved adept at wangling Federal dollars for his state. When he took over, New Jersey was 49th in per capita Federal spending; now it's 34th. Byrne is a moving force in the Coalition of Northeastern Governors, which not only tries to improve the Northeast's clout in Washington but also promotes a regional approach to problems.

4. IN ADDITION: Byrne chaired the Justice Department's Advisory Commission on Criminal Justice Standards and Goals ... he developed the New Jersey Sports Complex and won approval of casino gambling for Atlantic City ... His environmental record includes fighting to preserve the Pine Barrens and launching a strong cancer control program.

Newark

1. The biggest event in northern New Jersey today is a football game at the Meadowlands stadium. It's between Florida A&M and Howard, and it's a benefit for the United Negro College Fund, sponsored by 100 Black Men, a businessmen's service organization. Mayor Gibson's office is taking 2000 kids to the game. You might say you wish you could stay around for the game--and that if it weren't for Governor Byrne, those two teams wouldn't have such a beautiful place to play.

2. HEALTH

The College of Medicine and Dentistry of New Jersey in Newark, although it is one of the newest in the country, has already made unique contributions:

-- It has the largest enrollment of minority students of any medical school in the United States, except the two traditionally black medical schools. This is due in part to a special program funded partially by the federal government, aimed at improving the skills of college students hoping to enter medical and dental schools. Some 65 per cent of the participants in the program are admitted to schools.

-- In the decade since the college established a major campus in Newark the city's health picture has dramatically improved. Infant mortality and cancer deaths were both cut in half. Bronchial pneumonia and tuberculosis deaths were cut even more dramatically. This change in Newark's health is due largely to improved services and increased accessibility to health services provided to the community through the medical college and the state and local health departments and through programs funded by the federal government.

The other part of the picture is prevention, which you have made your prime health target so far. Governor Byrne has also been active in the prevention of illness. He has been a leader in the support of Toxic Substances Control, in setting national air pollution standards, and in securing projects to provide his people with clean water. He created the first statewide Comprehensive Cancer Control Program in the nation.

In addition to saving the lives of Newark's babies and and prolonging and improving the lives of the city's adults, the medical complex is revitalizing the neighborhood. New housing and a new elementary school have been built, jobs have been created. The area is proof that when federal, state and local governments and the citizens of the community get together urban problems are not insoluble, progress can be made to give lives hope and meaning.

3. JOBS

Unfortunately, this kind of revitalization is far from typical. Especially in the Northeast and the Midwest, the American city is in trouble--its tax base is eroding, its physical plant is deteriorating, the demand for its services is growing. Ultimately the problems of cities affect the lives of all Americans, not just city dwellers.

The main problem is economic--we must restore the economic base of our cities and put people back to work. Though there has been some improvement in the last year, Newark's unemployment rate is still around 20 per cent, and for the most vulnerable part of the labor force--black teenagers--the rate is probably more than twice that.

These problems have been decades in the making. There are no quick or easy solutions. It will take cooperation among all levels of government and cooperation between government and the private sector as well.

The stimulus package will mean some \$50-million worth of jobs for Newark, but the effects will not be felt all at once. And we have to do a lot more.

As you told the Black Caucus earlier this week, employment is one of your highest priorities. At your direction, a top-level task force headed by Secretary Harris has been hammering out an urgent program for urban economic development. The objective of that program will be to stimulate private-sector economic growth in our distressed cities. We have to change business decisions so that businesses stop moving out and start moving in. Without that change, we won't be able to restore the long-term economic health of our cities.

#

Chambersburg, N.J. (The 'Burg)

1. The resumption last year of the Feast of Lights (after a 12-year lapse--the Festival goes back to around 1800 in Casandrino) is a testimony both to the continuity and the renewed vitality of The 'Burg. It is both a religious and cultural celebration, and it would be fun if you could stay for the whole week.

2. This country derives its unity from the Constitution and our democratic system, which allows the widest cultural and religious diversity and freedom of any nation in the world. Some nations are divided -- often bloodily so -- by differences in religion or ethnic background, and many try to impose uniformity in place of the true spirit of unity that comes from an acceptance and enjoyment of differences. We do not have to be exactly alike, come from the same background and worship in the same ways, or ignore our rich and varied heritage to live in peace and harmony.

3. Neighborhoods are the building blocks of cities. If the neighborhoods don't work, the cities can't. The government must assist with major facilities and Governor Byrne's administration has with clean water projects, hospital improvements and pollution control. He has helped put 100,000 people back to work, and New Jersey's programs to help revitalize and strengthen neighborhoods are a model for the nation (HUD says).

4. What makes state and federal and local programs work is the individual's commitment to the community. Chambersburg is a good place to live because thousands of individuals want it to be and work every day to make it so. They care about it and invest not only what money they can but also themselves -- their time and thought and energy, to keep up their homes and businesses and make them more attractive.

-- This kind of caring is shown in their work -- the great horse-shoe shaped loaf of bread baked for you down the street last year during the campaign is an example of the ingenuity and pride they take in doing their work with a little something extra.

- It is reflected in their love and caring for their families. Chambersburg is not just a collection of houses and shops, it is a neighborhood with traditions and a special flavor, a group of people who enjoy and care for one another and work together and individually to make their corner of Trenton a special place to raise their children and grandchildren. Their churches and schools are important to them.

- You grew up in a small town with similar values, where the community and the churches and schools strengthened each other and the values of the families, where people looked out for each other. You went back there to raise your family and participate in that community because those values were important to you. In communities where people respect and care about each other children learn to respect and care about themselves and others and try to make their world better.

#

THE WHITE HOUSE
WASHINGTON

September 9, 1977

Jody Powell

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Stu Eizenstat
Bob Lipshutz
Frank Moore
Bunny Mitchell

RE: BAKKE BRIEF

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
	X	LIPSHUTZ
	X	MOORE
X		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
X	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

9/8/77

Mr. President --

Phone call from Jody:

"Congressman Parren Mitchell just called me. He has been trying to reach you and the Attorney General to request that the filing of the Bakke brief be delayed so that there can be consultation with Chairman Rodino and other appropriate committee chairmen. I promised to get this message to you.

-- Jody "

*Held 500
on Mil Acad*

*no delay
J*

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THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

C
1

September 9, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze ^{CLS}

SUBJECT: Additional facts about unemployment among
black youth

There is one dramatic set of statistics, which you have not seen, that highlights the unemployment problem of black youth. In addition to growing unemployment as conventionally defined -- people seeking a job who cannot find one -- there has been a huge growth in the number of black youth who are not looking for work and hence are not counted as unemployed.

Percentage of youth, aged 18-19
who are not working, for whatever reason

	<u>White</u>	<u>Black</u>
1948	31	30
1956	36	35
1968	40	49
1973	35	52
1976	38	63

Not only is the unemployment rate among black youth substantially higher than among white (34 vs. 16 percent in 1976), but black participation in the labor force is substantially smaller (56 vs. 74 percent). Some young people of this age are not in the labor force because they are in school full time. But since school attendance at this age is higher among whites than blacks, this fact only makes the disparity worse than the above statistics show.

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

9 September 1977

C

MEMORANDUM FOR THE PRESIDENT

FROM:

RICK HUTCHESON *T. Self / Simon for 24*

SUBJECT:

Status of Presidential Requests

EIZENSTAT:

1. (2/16) Prepare a draft message to Congress on the opportunity for regulatory reform and consult with the Cabinet -- In Progress, (with OMB).
2. (6/13) Can we issue instructions precluding dual compensation limitations for retired military officers? -- In Progress, (with the President's Commission on Military Compensation, report due to the President by 3/15/78). *omit*
3. (6/15) (and Kreps) Comment on the letter from Senators Magnuson and Hollings on the Nation's ocean program -- In Progress, (Stu is drafting a PRM on this, expected 9/16).
4. (7/18) (Confidential) Check with the Attorney General and comment on the Morris Dees memo concerning the death penalty in the United States -- In Progress, (expected 9/16).
5. (7/13) Prepare brief reply (re 7/29 letter from Humphrey et al concerning Alcan and Artic routes -- In Progress, (expected 9/13). *done. send cc agreement*
6. (8/5) I would like a study done to determine if the curriculum at the service academies can/should be more narrowly focused on their future careers. Advise -- In Progress, (study should be completed by 11/1/77). *hold - see Stu*

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7. (8/13) This doesn't seem right. Work on it. (Jack Anderson article on 8/13 re giant utilities "phantom taxes") -- In Progress, (expected 9/15).
8. (8/17) We can issue guidelines from me. Prepare draft. (H.R. 6689 - New Gift Procedure for foreign gifts) -- In Progress, (expected 9/15).
9. (8/15) (and McIntyre) Follow-up on 8/12 memo from Eizenstat concerning meeting with Alan Boyd -- In Progress, (with State, DOT, CAB, expected 9/15).
10. (8/22) Give the President a quick comment regarding the memo from Schlesinger on spent fuel policy -- Done.
(8/24) Consult with Schlesinger on spent fuel policy -- In Progress.
11. (8/22) Begin preparing for action regarding options to reduce oil imports -- In Progress, (expected 9/15).
12. (8/27) See the President regarding Justice and Agriculture making statements on bidding procedures for National Forest Timber -- Done. *done*
13. (8/29) Advise regarding Bourne memo on report on International Food and Agriculture -- In Progress, (expected 9/13).
14. (8/31) The President has worked 7 months to get agencies out of EOP, now another is being recommended. How many people are involved in the Oversight Office regarding the review of security classification system memo? -- In Progress, (expected 9/16).
15. (9/2) (and Schultze) The President needs an analysis of Senator Moynihan's paper on New York's deficit regarding Federal government programs; he has called the President twice about it -- In Progress, (expected 9/13). *Don't slip*
16. (9/6) Compare your 9/2 Domestic Policy Report with similar reports of 6-8 weeks ago; many items are dragging -- In Progress.

HARDEN:

1. (7/15) Route your memo on the Administrative Support Unit routinely so that the President can receive other comments -- In Progress, (with EOP Reorganization Unit).

JORDAN:

1. (2/25) Let's firm up the Renegotiation Board -- In Progress.
2. (5/15) (and the Vice President, Moore) Work out the Judicial Selection Committee in states with no Democratic Senators; let Democrats do it. Setting up top flight Selection Committee comes first -- In Progress, (10 of 13 announced).
3. (7/28) Need another report on appointments/vacancies on the Circuit, District and Special Courts -- In Progress.
4. (8/13) (and Eizenstat/Watson) Move on this. (John Portman letter of 8/11 re dinner in Washington for heads of major U.S. corporations to generate support for Central Cities of America) -- In Progress, (proposal sent to President, President's 9/9 comment "Hold").
5. (9/6) Comment on the letter from Robert McKinney regarding possible nomination of Grady Perry as a member of the Federal Home Loan Bank Board -- Done.

LIPSHUTZ:

1. (2/18) (and Bell) You know of President's promise to make the Attorney General independent of White House influence and control. (7/7) Assess the President's campaign statements on the Attorney General. It was Bell's idea to begin with -- In Progress, (expected 9/12).
2. (8/1) Check on this briefly (information re Juanita Kreps/possible influence in bidding) -- Done.

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3. (9/1) If the Gnann property is leased for 10 years,
 - a) would there be any need for present mobile homes?
 - b) when would any additional building be located there?
 - c) what type of office space has been (or will be) provided for staff of Nixon and Ford? -- In Progress, (expected 9/15).

BRZEZINSKI:

1. (6/4) (and Chip, Bourne, Eizenstat) Get together and let the President know what we can do about world hunger -- In Progress, (expected 9/16, previously expected 8/31).
2. (7/11) (and Brown) Keep the President informed about certification of qualifications of appointees to non-career jobs -- In Progress, (with DoD and CSC, expected in October).
3. (7/28) Assess briefly the number of federal employees abroad, the current number seems excessive. (7/30) OK-- my concern is the large number of non-State Department personnel in our embassies -- In Progress, (with OMB and State, expected 10/1).
4. (8/1) (and Vance) I want every U.S. Ambassador to have a concise list of specific tasks or goals to be achieved within his/her assigned country. Please give me a few examples such as Zambia, Argentina, India, South Africa, Belgium, Republic of China, Philippines -- In Progress. (8/17) What I want is for every embassy to have a specific and current set of goals, such as the ones here for Spain and Venezuela. I want a copy in the White House -- In Progress, (expected 9/15).
5. (9/6) (and Eizenstat) Redraft letter regarding 9/1 memo concerning reply to Gov. Milliken's latest letter concerning SEAFARER Project in Michigan -- In Progress, (expected 9/12).
6. (9/9) (Secretary Brown) Brief comment regarding 8/26 memo from Midge Costanza concerning suggested method of dealing with defense contractor overruns -- In Progress.

7. (9/9) What are the consequences of doing nothing regarding the memo concerning nuclear alternatives, follow-on study to PD-8 -- In Progress.

LANCE:

1. (7/11) Our emergency loan/grant criteria are too lax; check with Secretary Bergland -- In Progress, (inter-agency working group preparing options paper as part of '79 buget review, expected 10/15).
2. (7/24) Have Jim and/or Harrison work with Sam Brown on the Citizen's Review Group -- In Progress, (expected 9/15).

BOURNE:

1. (8/22) Is there any action that we can take regarding South Asian narcotics? -- In Progress, (expected 9/15).

FIRST LADY:

1. (8/4) Comment (re 8/2 memo from Jordan concerning two vacancies on Advisory Council on Historical Preservation -- In Progress, (expected 9/16, RSC working directly with Presidential Personnel Office on her recommendation).

VICE PRESIDENT:

1. (8/4) Strengthen for later release (end of August) (draft White House release for foreign intercept operations/ commercial telecommunications) -- In Progress, (status report from NSC expected 9/14). *don't slip -*

SCHLESINGER:

1. (9/7) (and Eizenstat) Assess OMB comments regarding final decision on an Alaskan natural gas transportation system -- In Progress. *done*

MOORE:

1. (8/29) Talk to the Speaker and to Foley concerning pesticides legislation; the President will help personally -- In Progress.
2. (9/7) Proceed with response to Rep. Brademas clearly stating our position on CRBR. [Set up the President's dedication of Admiral Rickover's thorium breeder reactor in Pennsylvania before the CRBR vote] -- In Progress. *Cancel*
3. (9/9) Let the President check the text; keep simple and clear regarding the mail summary. Kitty Schirmer to respond on President's behalf to John Brademas letter concerning nuclear research and development programs -- In Progress. *Expedite*

POWELL:

1. (8/22) Draft answer to 8/12 letter from Georgia State Senator Franklin Sutton -- In Progress. *Expedite*

SCHULTZE:

1. (8/24) Go ahead and prepare the economic impact statement for the President concerning the Senate Finance Committee proposal on Social Security financing and the statement to be given to Senator Long -- In Progress, (with CEA, OMB and the Domestic Council, expected 9/16).

BLUMENTHAL:

1. (8/18) Tentative OK only concerning Presidential welcome to IMF/IBRD; let the President see the remarks -- In Progress, (with Fallows, outline of speech for President's review on 9/12).

ADAMS:

1. (8/22) Keep the President informed about Amtrak heavy rail repair facility -- In Progress, (report of recommendations expected 10/1).

BERGLAND:

1. (9/9) (Personal and Confidential) Please explain about farm bill costs apparently skyrocketing. Check on USDA figures...thought we were approving only minimal increases above \$2 billion limit -- In Progress.

ATTORNEY GENERAL:

1. (8/3) Why not support this merit selection proposal? I'm for it. (re Germond & Whitcover column concerning merit selection of judges -- In Progress, expected 9/14).
2. (8/27) (and Lance) Assess present plans and projections and advise how alternatives can be used regarding prison construction -- In Progress, (to be reviewed during the fall budget review by DoJ and OMB).

HARRIS:

1. (8/11) Push this. Work with Lehman, Pepper, Stone, Childs and condominium groups (re 8/3 memo concerning condominium recreation leases) -- In Progress, (HUD is preparing legislative package; expects to send to OMB by 9/23).

WATSON:

1. (9/2) (Jane Frank) Please work out with the First Lady and Sen. Byrd a visit by his grandchildren to visit Amy -- In Progress.
2. (9/9) Get brief OMB comment without delay regarding Ray Marshall memo concerning Department of Labor's reorganization project -- In Progress.

FALLOWS:

1. (9/9) Confirm accuracy; include in trip book regarding 9/7 memo concerning talking points for New Jersey trip -- Message Conveyed. *done*

KRAFT:

1. (8/31) Let Bill Lynch come by the Oval Office to see the President -- Done.

done

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

rick --

please send me a copy
of this

thanks -- susan

THE WHITE HOUSE
WASHINGTON

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Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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<input type="checkbox"/>	WARREN

THE WHITE HOUSE
WASHINGTON

September 12, 1977

Susan Clough

Per your request, enclosed
is a copy of the Status
of Presidential Requests.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

September 9, 1977

Z. Brzezinski -

The attached is sent to you for
forwarding to Secretary Brown.

Rick Hutcheson

Re: Defense Contractors Overruns

cc: Midge Costanza

THE WHITE HOUSE
WASHINGTON

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<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
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ACTION
FYI

TO BROWN VIA 23

<input type="checkbox"/>	MONDALE
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Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

*To Harold Brown
brief comment
JC*

August 26, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

MARGARET COSTANZA

mc

SUBJECT:

Attached suggested method of dealing
with defense contractor overruns,
authored by Thomas V. Jones, Chairman
and Chief Executive Officer, The Northrop
Corporation

The Northrop Corporation has an excellent record with
reference to holding contract costs to original bid
price. This summary from Mr. Jones represents his idea
of how that concept may be enlarged for all competing
industries for Department of Defense contracts.

cc: Stuart Eizenstat

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Richard Reiman:ERC

The Problem

The new Administration faces a major task in managing defense procurements to ensure maximum defense within the available budget, on a long term and continuing basis.

The defense budgeting process now requires, for weapons systems going into the force structure, a complete DOD plan for the total R&D, procurement, and maintenance and operating costs. These plans are presented to the Congress in seeking authorization and appropriation to initiate the program.

Independent pressures, for one program and against another, have traditionally made it very difficult to plan on a consistent basis for national defense. Recent legislation established Congressional Budgetary Committees to determine and control the proper level and allocation of resources within the total budget. With the presence of the two Budgetary Committees, the Executive Branch now has the possibility of having the Congress, through its budgetary committees, share the responsibility of restraining special interests that may try to distort the management positions taken by the Defense Department and the Administration with respect to force structure decisions.

Nevertheless, the fundamental problem remains that once a plan has been made and agreed upon, there is still a record of cost overruns that have a cascading effect on national security.

The effect of overruns on our defense posture can be seen by analyzing what has occurred in the past ten years. Overruns on major weapon systems have averaged 40% above the original planned funds even after inflation has been taken into account. With reprogramming the number of units being procured for major weapon systems is actually 30% less than originally planned. Further analysis shows that if the procurement budget had been held to the originally planned level, then the numbers procured would have been one-half of those planned.

This means that 30% of the planned effectiveness has been lost. Yet, the defense program as a whole was keyed to the full number of units planned. Manning, basing, and other supporting programs were often started and then rescheduled or stopped. Hence, the reduction in defense capability which results from the failure to deliver the number of units planned at the projected cost is further amplified, since the rest of the Defense establishment is keyed to the original force structure plan. This disruption is perhaps the largest single cause of waste in the Defense Department.

A New Concept

The way to correct this situation is to ensure that decisions to purchase hardware for the force structure will only be made in the presence of competitive alternatives, and with firm and binding contractual commitments on the part of companies prepared to stand behind those commitments.

Sound force structure procurements can only be made in this way. Once such commitments are made the government must insist on absolute adherence to the contractual agreements. This disciplined and business-like approach can stop overruns, waste of defense funds, and the resulting loss in force effectiveness.

*Often
Really
R & D -
Prototype
+
production
all in one -*

Adherence to this sound procurement practice requires that military needs be sufficiently defined so that a binding fixed price type contract can be written with an industrial supplier. If either party is unwilling to undertake such a commitment, it is clear evidence that not enough is known to procure for force structure. When this situation occurs, and the particular system is considered of importance to national defense, then a program should be formulated for gaining the necessary knowledge through R&D or prototyping contracts. Such efforts should use whatever contracting form is most efficient to provide both parties the knowledge and confidence to enter into a firm contract for force structure hardware. Proceeding on a major system program with the hope of gaining knowledge along the way is very costly and causes waste in other supporting expenditures.

To qualify for force structure procurements, a defense contractor must have the demonstrated capability in plant, equipment, organization and experience, and must have the financial capacity to accept responsibility for any risk inherent in his bid. This is analogous to a building contractor who must obtain a bond on each one of his projects.

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When it is understood that the government means business, then a profound change will result in the attitude and business character of the defense industry. Boards of Directors will become vitally concerned with such matters as technical risk and the resulting effect on performance, schedule, and cost commitments. Decisions on modernizing plant and equipment will now be driven by the need to compete in terms of productivity, combined with the real discipline of having to deliver under the terms of the contract. Major weapon system proposals will no longer be based predominantly on optimistic projections, with heavy emphasis on political support, public relations, and salesmanship.

When Corporations make contract bid decisions, the Chief Engineer, Chief Financial Officer, and the Chief Legal Officer will be in the Board Room together with the Directors. It will be clear that they are making binding commitments in which the future of the Corporation is at stake.

Faced by continuing overruns and pressure from special interests, the new Administration must decide quickly the path it is going to take. To face it squarely now will signal a new direction, and establish the groundrules that are going to hold for the duration of this Administration. Defense procurement will be transformed by disciplined adherence to contractual commitments. The result will strengthen the Defense Industry, increase the effectiveness of our forces, and eliminate the waste created by past practices.

The alternative to this course of action is to face the reality that it is the taxpayer, not the private sector, that is taking the risk for production commitments. We will have lost a real opportunity for the private sector to make a major contribution to the budgetary integrity and security of our Country.

STAFF COMMENTS

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

2 September 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *R.H.*
SUBJECT: Staff Comments on Attached Memo

Eizenstat: "The cause of cost overruns is a hotly debated subject. The most often mentioned causes are lack of competition in the industry, intentional underbidding, incomplete research and development prior to production, changes in system specifications, bad management and inflation. The field is made more difficult by the political environment in which defense procurement decisions have been made in the past. Congressional pressure, the need to maintain the viability of certain contractors, and economic impact on surrounding communities have all played a part in some procurement decisions. If you decide to take any action in this area, we suggest that it be preceded by careful study."

NSC, OMB, DOD make the following points:

- The Commission on Government Procurement, which reported in 1972, made recommendations consistent with those of Mr. Jones;
- OMB Circular A-109, governing current procurement policy, is attempting to change the acquisition process so that there is a more competitive selection of alternative systems proposals for specific mission needs on the front end; however:
- as it is difficult to predict technological progress 5-10 years downstream, there may be no alternative to DoD taking the often costly route of "proceeding on a major systems program with the hope of gaining knowledge on the way";
- in some instances there is only a single qualified producer of a particular item; to have a competitive producer could be prohibitively expensive;
- in some cases DoD argues that we cannot afford to wait, due to urgent military need; and
- it is politically difficult to follow strictly competitive rules and to enforce contracts stringently. "We could do much better, but this will require hard decisions and strong Presidential support."

(5)

MEMORANDUM OF INFORMATION FOR THE FILE

DATE September 9, 1977

EXECUTIVE

FG-6-11

PR-5-2

FO3-1/Panama Canal

FG-6-1-1/Moore, F.

LETTER, MEMO, ETC.

TO: Frank Moore

FROM: Rick Hutcheson

SUBJECT: Senator Sam Nunn Briefing.

Attachment:

Moore memo dated 9/7/77 re Bert Lance
and Panama Canal.

CORRESPONDENCE FILED

PRESIDENTIAL
HANDWRITING FILE

THE WHITE HOUSE
WASHINGTON

September 9, 1977

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

cc: Rick Hutcheson
Hamilton Jordan
The Vice President

RE: SAM NUNN BRIEFING

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	X	MONDALE
		COSTANZA
		EIZENSTAT
	X	JORDAN
		LIPSHUTZ
X		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.
THE WHITE HOUSE
WASHINGTON

September 7, 1977

*Frank - I
called Sam - You
stay in touch
with him -
cc HAM JC*

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM.*
SUBJECT: SENATOR SAM NUNN (D-GA)

Sam Nunn called and offered to come back down at your convenience and brief you on executive session of the Government Affairs Committee concerning Bert Lance, the general mood of the committee and the intentions of individual Senators. He said that he would do it by telephone, or set up another meeting on the Panama Canal or whatever you prefer to do. I told him you might prefer Hamilton to do this, and he said he would be willing to talk to Ham and me, but he wanted you to know that he was volunteering to do it.

He also wants to help on the Panama Canal while remaining publicly and privately uncommitted. He thinks he can have an influence on a number of Senators in guiding their questions to the right people.

_____ Do you want to call Sam?

_____ Should Ham and I call on your instructions?

_____ Or, should Clark Clifford handle?

**Electrostatic Copy Made
for Preservation Purposes**